



**DEFENSE LOGISTICS AGENCY**  
**THE DEFENSE CONTRACT MANAGEMENT COMMAND**  
8725 JOHN J. KINGMAN ROAD, SUITE 2533  
FT. BELVOIR, VIRGINIA 22060-6221

IN REPLY  
REFER TO

AQOD

**MAR 26 1997**

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT  
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97- 33 , Undefined Contractual Actions  
(UCAs) (INFORMATION)**

This is an information memorandum. It expires after one year. Target Audience: All DCMC personnel involved with definitizing UCAs.

As you know, UCA definitization timeliness is one of DCMC's top priorities. Why? Because many of our customers have said it's one of theirs.

Our goal is to have not more than 10% of our UCAs overage by the end of this fiscal year. At the end of January 1997, 28% were overage. While this isn't good, it's better than from where we started--at this time last year 35% were overage. We're definitely making progress and if the strong downward trend in the number of overage UCAs continues, we should be at 21% overage by year's end. This will be even better, but still far short of our target. We need to pick up the pace.

Several recent policy changes, such as Integrated Product Team (IPT) Pricing and the new streamlined review and approval requirements, will enable us to accelerate our progress. For example, IPT Pricing, by eliminating traditional field pricing reports, frees up personnel to negotiate the UCAs.

We have also had the District staffs conduct a Pareto Analysis of the causes (i.e., process drivers) of UCAs going overage. The Districts visited ten CAOs (representing about 40% of both the number of overage UCAs and the dollars on overage UCAs) and reviewed 260 UCAs. By far, the number one driver, involved in 56% of the cases, was late receipt of a qualifying definitization proposal from the contractor. For perspective, the second most commonly cited factor, insufficient funds, was found in only 16% of the cases. It's obvious where we need to concentrate our efforts.

A late proposal doesn't negate our responsibility to ensure timely definitization. We need to:

- Notify contractors immediately when they miss the deadline for submitting their proposal.
- Work with contractors, via PROCAS, to identify the root causes of late proposals and fix those.
- Use the Management Councils to apply intensive Government and contractor management oversight, and
- If all else fails, make the first offer ourselves or unilaterally definitize the UCAs.

Another interesting finding resulted from the District reviews. All of the top drivers other than late proposals (e.g., insufficient funding, late or non-receipt of repairables, and controversy over particular rates or estimating factors) were each concentrated in only a single CAO. For example, over 75% of the UCAs impacted by a dispute over a particular rate or factor were found in a single CAO. These kinds of issues should be elevated through the CAO/District/HQ DCMC and customer chains of command until they're resolved.

More information on the District analyses and our UCA definitization performance can be found in the Contractor Capability and Proposal Analysis Team's section of the DCMC Homepage. The information is presented in a "briefing-style" special series of pages accessible through the team's "Worth Knowing" page (or use the URL: <http://www.dcmc.dcrb.dla.mil/teaminfo/aqod/ucatemp/uca.htm>). Questions about this memorandum may be directed to Mr. David Ricci, Contractor Capability and Proposal Analysis Team at (703) 767-3376, DSN 427-3376 or E-mail: [dave\\_ricci@hq.dla.mil](mailto:dave_ricci@hq.dla.mil).

  
for JILL E. PETTIBONE  
Executive Director  
Contract Management Policy